

SENATE BILL No. 388

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-14.

Synopsis: Water and sewer sales tax exemptions. Provides a sales tax exemption for sales of any chemicals to a: (1) municipally owned water or sewer utility; (2) water or sewer utility owned by a special district; (3) water or sewer utility owned by a nonprofit corporation; or (4) person that contracts with a municipality to provide water or sewer services to the municipality; if the person acquiring the chemicals will use them to treat water or sewage within the utility system.

Effective: July 1, 2005.

Server

January 11, 2005, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 388

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-14 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) Transactions
3 involving tangible personal property are exempt from the state gross
4 retail tax if the person acquiring the property is:

- 5 (1) a municipally owned utility;
6 (2) a utility owned or operated by a special district; or
7 (3) a public utility owned or operated by a ~~not-for-profit~~
8 **nonprofit** corporation incorporated under:

- 9 (A) the Indiana General Not for Profit Corporation Act (Acts
10 1935, Chapter 157, as amended), notwithstanding its repeal;
11 (B) the Indiana Not-for-Profit Corporation Act of 1971
12 (IC 23-7-1.1), notwithstanding its repeal; or
13 (C) IC 23-17.

14 **(b) Exempt transactions under this section include transactions**
15 **involving the sale of any chemicals to:**

- 16 **(1) a person described in subsection (a) that owns or operates**
17 **a water or sewer utility; or**



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1 (2) a person that contracts with a municipality to provide
2 water or sewer services, including the chemical or other
3 treatment of water and sewage, to the municipality or
4 residents and businesses of the municipality;

5 if the chemicals will be used by the person acquiring the chemicals
6 to treat water or sewage within the utility system owned or
7 operated by the municipality or the person described in subsection
8 (a).

9 ~~(b)~~ (c) As used in this section, the term "public utility owned or
10 operated by a not-for-profit corporation" does not include those public
11 utilities incorporated under Acts 1935, chapter 157, as amended, and
12 which are owned or operated by local district rural electric membership
13 corporations.

14 SECTION 2. [EFFECTIVE JULY 1, 2005] IC 6-2.5-5-14, as
15 amended by this act, applies to transactions that occur after June
16 30, 2005.

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